

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON BUSINESS AND LABOR**

**Call to Order:** By **CHAIRMAN JOE MCKENNEY**, on January 14, 2003 at 8:00 A.M., in Room 172 Capitol.

#### **ROLL CALL**

##### **Members Present:**

Rep. Joe McKenney, Chairman (R)  
Rep. Jim Keane, Vice Chairman (D)  
Rep. Donald Steinbeisser, Vice Chairman (R)  
Rep. Bob Bergren (D)  
Rep. Rod Bitney (R)  
Rep. Sylvia Bookout-Reinicke (R)  
Rep. Nancy Fritz (D)  
Rep. Dave Gallik (D)  
Rep. Kathleen Galvin-Halcro (D)  
Rep. Ray Hawk (R)  
Rep. Bob Lawson (R)  
Rep. Rick Maedje (R)  
Rep. Gary Matthews (D)  
Rep. Scott Mendenhall (R)  
Rep. Penny Morgan (R)  
Rep. Allen Rome (R)  
Rep. Sandy Weiss (D)  
Rep. Bill Wilson (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Bart Campbell, Legislative Branch  
Alberta Strachan, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

##### **Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB 174; HB 159; HB 110; HB 104  
Executive Action: HB 165; HB 169; HB 162; HB  
104; HB 230; HB 183; HB 159

**HEARING ON HB 174**

**Sponsor:** REP. BILL THOMAS, HD 93, Hobson

**Opening Statement by Sponsor:**

REP. THOMAS, said this bill outlines that the Department of Labor & Industry regulates our trades. Licensor work needs to be updated periodically. He then provided an outline of the common sections of HB 17. He then provided amendments which he explained.

**EXHIBIT** (buh07a01)

*{Tape: 1; Side: A; Approx. Time Counter: 1 - 84}*

**Proponents' Testimony:**

Jim Brown, Administrator, Business Standards Division, Department of Labor & Industry, provided written testimony.

**EXHIBIT** (buh07a02)

*{Tape: 1; Side: A; Approx. Time Counter: 84 - 320}*

Margaret Morgan, State Independent Electrical Contractors, said they rise in support of this bill as it pertains to the State Electrical Boards. This bill streamlines and clarifies and updates the statutes to what is practically occurring today in some instances.

*{Tape: 1; Side: A; Approx. Time Counter: 320 - 342}*

Susan Good, Hearing Aid Dispensers, suggested an agreement with the department regarding hearing aid dispensers by suggesting an amendment.

*{Tape: 1; Side: A; Approx. Time Counter: 342 - 358}*

**Opponents' Testimony:**

Bob Pavlovich, Independent Brotherhood of Electrical Workers, and former member of the House of Representatives, said if the amendments were adopted then they will support the bill.

*{Tape: 1; Side: A; Approx. Time Counter: 358 - 372}*

Darrell Holzer, AFL-CIO, said he supports the bill if the amendments are included.

*{Tape: 1; Side: A; Approx. Time Counter: 372 - 380}*

Carl Schweitzer, Plumbers Association, said that without the amendments they do not have a position on the bill.

*{Tape: 1; Side: A; Approx. Time Counter: 380 - 389}*

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REP. MORGAN** asked Mr. Pavlovich if he would be opposed to streamlining the regulations for this bill. He said they felt that if they issued a license for a master electrician or a journeyman electrician, they would have taken a good examination. If the examination is removed from the bill, they would not know what to do.

***{Tape: 1; Side: A; Approx. Time Counter: 407 - 426}***

**REP. HAWK** asked **REP. THOMAS** if he had heard anything from the realtors on this matter. He said it had been accomplished in the new bill in section 7. **Brenda StClair** said the realty profession has not been opposed to the removal of these sections.

***{Tape: 1; Side: A; Approx. Time Counter: 426 - 463}***

**REP. BOOKOUT-REINICKE** told Mr. Brown she was concerned about rule-making authority to set fees according to costs. She asked how costs would be controlled in choosing a third party. He said many times there is more than one examination.

***{Tape: 1; Side: A; Approx. Time Counter: 463 - 509}***

**REP. KEANE** said he had a question regarding the boiler section. **Mr. Brown** said they had had some introduction on boiler operator license bills. They will provide information.

***{Tape: 1; Side: B; Approx. Time Counter: 1 - 36}***

**REP. MAEDJE** asked Ms. StClair about the requirements for realtors for their examination. He asked if there could be some type of assurance that the department is going to include that in an examination or if there is a possibility that the committee could reinstate that into the bill. She said this bill was provided to the Board of Realty Regulation. It has been a work in progress for some time and so the board itself is aware of it. This does not remove the requirements necessarily but testing and business ethics and allows the board to determine by rule based upon industry standards what should be covered on the examination.

***{Tape: 1; Side: B; Approx. Time Counter: 36 - 57}***

**Closing by Sponsor:**

The Sponsor closed.

**CHAIRMAN MCKENNEY** turned the chairmanship over to **VICE-CHAIRMAN STEINBEISSER**.

**HEARING ON HB 98**

**Sponsor:** REP. JOE MCKENNEY, HD 49, Great Falls

**Opening Statement by Sponsor:**

REP. MCKENNEY, said he brought HB 98 at the request of the Department of Labor & Industry. This bill provides for general housekeeping of professional and occupational licensing laws as the result of the Legislative Audit Committee statutory requirements and internal review of current codes. This is supposed to be a non-controversial bill to update and clean up existing state codes. Through the course of the hearing there will be amendments to remove opposition.

***{Tape: 1; Side: B; Approx. Time Counter: 57 - 102}***

**Proponents' Testimony:**

James Brown, Administrator, Business Standards Division, Department of Labor & Industry, provided written testimony.

**EXHIBIT** (buh07a03)

***{Tape: 1; Side: B; Approx. Time Counter: 102 - 255}***

Roger Halver, Montana Association of Realtors, said they were a professional organization with over 3,000 that are real estate licensees. He said they were in total support of section.

***{Tape: 1; Side: B; Approx. Time Counter: 256 - 276}***

Jo Hawkins, Montana Board of Plumbers, provided written testimony as a proponent.

**EXHIBIT** (buh07a04)

***{Tape: 1; Side: B; Approx. Time Counter: 276 - 407}***

**Opponents' Testimony:**

Carl Schwietzer, Plumbers Association of Montana, said plumbing as a craft has history. He said the plumbers needed a sense of ownership in the businesses they run. That ownership and responsibility then makes them accept the risk for the decisions that are made. They do feel there are utilities that are getting into the plumbing business and the issue there is not necessarily ownership.

***{Tape: 1; Side: B; Approx. Time Counter: 407 - 469}***

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REP. MORGAN** asked Mr. Badwallader, if the language she was questioning was in current law. Accounting has traditionally been practiced as either a sole ownership or as a partnership. This puts all of the individual's assets available to the reach of the creditors including someone who may be sued for malpractice. *{Tape: 1; Side: B; Approx. Time Counter: 469 - Tape: 2; Side A; 118}*

**REP. WILSON** (question was inaudible as was the response).

**REP. GALVIN-HALCRO** questioned the background investigations, "Will it a rule as to how much they will be required to pay?" **Ms. StClair** said they were currently requiring that background checks are being charged the department. The fee is in rule but they are charged exactly what the department is charged. *{Tape: 2; Side: A; Approx. Time Counter: 1 - 177}*

**REP. MATTHEWS** asked Ms. StClair about the controversy about boxing and if the board's being allowed to stop the practice of boxing? There is a bill currently out in draft regarding the jurisdiction. *{Tape: 2; Side: A; Approx. Time Counter: 10 - 200}*

**REP. WILSON** said the previous question was a answer to his question.

**Closing By Sponsor:**

The Sponsor closed.

**HEARING ON HB 159**

**Sponsor:** **REP. DICK HAINES, HD 63, Missoula**

**Opening Statement by Sponsor:**

**REP. HAINES**, said this bill creates law regulating wholesale food establishments and separates wholesale and retail establishments as does federal law. There is nothing currently to distinguish between wholesale and retail and each sector of this type of business does things differently. Consequently, there needs to be some difference between the two. There are now wholesale foods salvagers and they anticipate wholesale and retail drug

manufacturers. He then explained the new language throughout the bill.

*{Tape: 2; Side: A; Approx. Time Counter: 256 - 292}*

**Proponents' Testimony:**

**Terry Krantz, Bureau Chief, Communicable Disease Control & Prevention Bureau, Department of Public Health & Human Services,** provided written testimony.

*{Tape: 2; Side: A; Approx. Time Counter: 292 - 335}*

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REP. ROME** asked what non-prescription drugs were. **Mr. Krantz** said these were over-the-counter type products that don't require a prescription to buy.

*{Tape: 2; Side: A; Approx. Time Counter: 335 - 429}*

**Closing By Sponsor:**

The Sponsor closed.

**HEARING ON HB 110**

**Sponsor:** MICHAEL LANGE, HD 19, Billings

**Opening Statement by Sponsor:**

**REP. LANGE,** said this bill was an attempt to amend the section of the Workers' Compensation laws, to fix what would probably be classified as a limited gap and a severe potential liability to many of the working people in the Montana. The substance of the bill deals with the establishment of a pole of the \$200 cap on the amount that a worker would be liable for under a Workers' Compensation injury.

*{Tape: 2; Side: A; Approx. Time Counter: 429 - 500}*

**Proponents' Testimony:**

**Jerry Driscoll, AFL-CIO,** said he had suggested amendments. He then explained the amendments.

*{Tape: 2; Side: B; Approx. Time Counter: 6 - 30}*

**Nancy Butler, Montana State Fund**, said the co-pay was put into effect 1993. The co-pay was not required if the insurance company used managed care organizations or providers. The State Fund decided to utilize those organizations to provide services to injured employees.

**{Tape: 2; Side: B; Approx. Time Counter: 30 - 37}**

**George Wood, Executive Secretary, Montana Health Insurers Association**, said he represented employers who insure their workers' compensation. In checking with his members, to see if anyone was using to co-pay, none of them said they were. The impact of the bill or the amendment would be non-existent.

**{Tape: 2; Side: B; Approx. Time Counter: 37 - 47}**

**Larry Jones, Liberty Northwest**, said his company was the largest workers' compensation carrier in the State of Montana and they support this legislation.

**{Tape: 2; Side: B; Approx. Time Counter: 47 - 50}**

**Bob Worthington, Montana Municipal Insurance Carriers**, said he supports this legislation.

**{Tape: 2; Side: B; Approx. Time Counter: 50 - 53}**

**Al Smith, Montana Trial Lawyers Association**, said his members do not benefit from this bill which is a good bill because it helps injured workers. Their clients have a difficult time making this co-payments.

**{Tape: 2; Side: B; Approx. Time Counter: 53 - 60}**

**Jacqueline Lenmark, American Insurance Association**, stated they supported this bill as a reasonable amendment to the law.

**{Tape: 2; Side: B; Approx. Time Counter: 60 - 71}**

**Don Judge, Teamsters Local 190**, said they rise in support of this legislation but would prefer that co-pays be eliminated entirely as well. They were put into the law at a time when the Fund was in difficult situation. They have not been effective.

**{Tape: 2; Side: B; Approx. Time Counter: 71 - 78}**

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REP. MORGAN** asked **REP. LANGE** about the proponents of the bill are advocating a disregard of the co-pays and the \$200 fee and if this was to eliminate someone using the fee? Her answer was that

the scope of that State Fund was involved with that amount and \$200 seemed to be a reasonable amount.

***{Tape: 2; Side: B; Approx. Time Counter: 78 - 103}***

**Closing By Sponsor:**

The Sponsor closed.

**HEARING ON HB 104**

**Sponsor:** REP. BOB BERGREN, HD 90, Havre

**Opening Statement by Sponsor:**

REP. BERGREN, said the primary component is for business owners to seek out health care insurance in groups of purchasing pools in a smaller number.

***{Tape: 2; Side: B; Approx. Time Counter: 112 - 119}***

**Proponents' Testimony:**

Claudia Clifford, State Auditor's Office, presented an exhibit on purchasing pools as her testimony.

***{Tape: 2; Side: B; Approx. Time Counter: 119 - 175}***

Darrell Holzer, AFL-CIO, said he offered a strong support for this bill. Based on the number of small employers that are in the State of Montana, it is known that many of those small employers truly wanted some level of health insurance for their workers. Also the dramatic difficulties and problems in the health care industry and the cost associated with that. Anything that could be done to help individuals become insured and employers able to afford the cost associated with that is a very good positive deal.

***{Tape: 2; Side: B; Approx. Time Counter: 175 - 188}***

Adrian Mieri, Montana Chamber of Commerce, said they too appreciate opportunities where employers can think creatively and practically to provide insurance employees.

***{Tape: 2; Side: B; Approx. Time Counter: 188 - 194}***

Kathy Berwell, Helena Chamber of Commerce, said they support this bill and any time they can help their employers give more benefits to their employees the Chamber would support that.

***{Tape: 2; Side: B; Approx. Time Counter: 194 - 199}***

**Opponents' Testimony:** None



**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REP. BITNEY** asked Ms. Clifford in regard to the smaller claims and she said that particular example was a school district coming together to self-fund so they are not buying insurance. That is a very different world. They are regulated quite differently and they are taking on their own risk and determining their own premiums and the financial losses of that program regards how they manage that program and the rates they set.

**{Tape: 2; Side: B; Approx. Time Counter: 210 - 227}**

**Closing By Sponsor:**

The Sponsor closed.

**EXECUTIVE ACTION ON HB 165**

**Motion:** **REP. GALVIN-HALCRO** moved **HB 165 DO PASS.**

**Discussion:**

**REP. GALVIN-HALCRO** said she had a concern about the bill when it just designated other lottery states and counties and information was provided that eased her concerns greatly.

**REP. MENDENHALL** said his concerns is that jackpots increase the number of ticket sales increase. He said he was not in favor of decreasing the current level but he has concerns about increases because of our 50th level of per capita income. Given low incomes that this is not good economic development.

**REP. KEANE** said he belonged to a lottery club but he didn't buy tickets anymore because of the high odds. This is like a choice once they change the odds on power ball. That is his choice and he thinks he is going to support the bill.

**REP. MORGAN** said she had never purchased a lottery ticket. She said it is a choice of the people.

**REP. STEINBEISSER** said he supports the bill. If the pot is bigger the State will make more money out of it.

**CHAIRMAN MCKENNEY** said he is supporting the bill. The lottery is entertainment. This bill makes good business sense and if the bill is not passed, the state will lose Power Ball. 70% of the

voters in Montana voted to pass the lottery and it passed in every county. "People like it," he said.

REP. BOOKOUT-REINICKE said she opposes the bill.

REP. FRITZ said she opposes the bill.

Vote: A roll call vote was taken on HB 165 DO PASS. Motion carried 10-8 with REPS. BITNEY, BOOKOUT-REINICKE, FRITZ, GALLIK, HAWK, MENDENHALL, ROME and WILSON voting no.

EXECUTIVE ACTION ON HB 169

Motion: REP. KEANE MOVED HB 169 DO PASS.

Motion: REP. KEANE MOVED HB 169 AMENDMENTS DO PASS

Vote: Motion carried HB 169 AMENDMENTS 16901 DO PASS. Motion carried 18-0.

Vote: Motion carried HB 169 AMENDMENTS DO PASS. Motion carried 18-0.

Discussion:

REP. BOOKOUT-REINICKE questioned the grace period.

REP. MATTHEWS questioned the rule making authority.

REP. BITNEY supports the amendments.

Motion/Vote: REP. KEANE moved HB 169 AMENDMENTS. Motion carried 18-0.

Motion/Vote: REP. KEANE moved HB 169 DO PASS AS AMENDED. Motion carried 18-0.

EXECUTIVE ACTION ON HB 162

Motion: REP. WILSON moved HB 162 DO PASS.

Discussion:

CHAIRMAN MCKENNEY stated he supports this bill.

**REP. MENDENHALL** said the current situation of the fee is that it is \$200, \$100 of which goes to the local government and \$100 stays with the agency. He said his understanding is that there would be no increase to local government as a result of this bill. **CHAIRMAN MCKENNEY** said \$100 still goes to local government, \$120 would go to the regulatory agency and the extra \$20 is to make up the shortfall to regulate the industry. There would be no negative impact.

**REP. GALVIN-HALCRO** questioned the pro-rated amounts that she understood were not in effect now but will be in effect because of this bill. **CHAIRMAN MCKENNEY** said currently the licensing year for permits begins July 1st and ends June 30th. For the first quarter of the year the permit fee is \$200. Then it goes down \$50 per quarter. Consequently, it goes from \$200 to \$150 to \$100 to \$50 depending on the time of year the machines are licensed. He also said it was his understanding that at the beginning of the year, the cities and counties get half of the \$200. However, as machines get licensed throughout the year, there is nothing going to cities and counties. But with this bill there would be proration.

**REP. ROME** questioned the dial-up. There was a large amount of the money taken out. He wanted to know if that is progressing or not. **CHAIRMAN MCKENNEY** indicated that was not a part of this bill. But it appears to be progressing.

**Motion/Vote:** **REP. WILSON** moved that **HB 162 DO PASS**. Motion carried 18-0.

#### **EXECUTIVE ACTION ON HB 104**

**Motion/Vote:** **REP. BERGREN** moved **HB 104 DO PASS**. Motion carried 18-0.

#### **EXECUTIVE ACTION ON HB 230**

**Motion:** **REP. FRITZ** moved **HB 230 DO PASS**.

**Motion:** **REP. MAEDJE** moved **HB 230 AMENDMENTS DO PASS**.

#### **Discussion:**

**Mr. Campbell** explained the amendments.

**REP. MAEDJE** asked if there were any further amendments.

Vote: Motion carried 18-0.

Motion/Vote: REP. MAEDJE moved HB 230 DO PASS AS AMENDED.  
Motion carried 18-0.

EXECUTIVE ACTION ON HB 183

Motion: REP. STEINBEISSER moved HB 183 DO PASS.

Discussion:

Mr. Campbell explained the first amendment.

Motion/Vote: REP. STEINBEISSER moved HB 183 AMENDMENT DO PASS.  
Motion carried 18-0.

Motion: REP. BERGREN moved HB 183 AMENDMENT.

Discussion:

Mr. Campbell explained Amendment. Further discussion followed by REPS. GALLIK, BITNEY, MAEDJE and STEINBEISSER.

REP. STEINBEISSER AND MAEDJE opposed Amendment the second set of amendments.

Motion/Vote: REP. BERGREN moved HB 183 AMENDMENT DO PASS. A roll call vote was taken, motion failed 4-14, REPS. KEANE, BERGREN, BITNEY and WILSON voting yes.

Motion: REP. BERGREN moved HB 183 AMENDMENT DO PASS.

Discussion:

Mr. Campbell explained the amendment.

Motion: REP. BERGREN moved to WITHDRAW HB 183 AMENDMENT.

Motion/Vote: REP. BERGREN moved HB 183 DO PASS AS AMENDED.  
Motion carried 18-0.

EXECUTIVE ACTION ON HB 159

Motion: REP. BOOKOUT-REINICKE moved HB 159 DO PASS.

Motion: REP. MATTHEWS moved HB 159 AMENDMENTS.

Motion/Vote: REP. BOOKOUT-REINICKE moved HB 159 AMENDMENTS DO PASS. Motion carried 18-0.

Motion/Vote: REP. MATTHEWS moved HB 159 DO PASS AS AMENDED. Motion carried 18-0.

**ADJOURNMENT**

Adjournment: 10:00 A.M.

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REP. JOE MCKENNEY, Chairman

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ALBERTA STRACHAN, Secretary

JM/AS

**EXHIBIT** (buh07aad)